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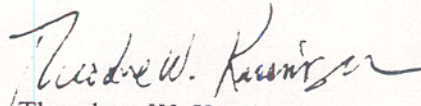
The Honorable Richard B. Cheney
President of the Senate
Washington, D.C. 20510

Dear Mr. President:

Enclosed is a draft bill to provide voluntary separation payment authority to the Secretary of Commerce in connection with reorganization of the Economic Development Administration (EDA). EDA has determined that service delivery is the primary function of its regional offices, while administrative support, public and legislative communication, and policy activities are the primary functions of headquarters. The proposed reorganization focuses on the strategic alignment of functions and workforce at the headquarters level and moves the remaining program operations involved with direct delivery to the field. EDA is making every effort to accomplish the restructuring without requiring involuntary separations through a reduction-in-force. Accordingly, EDA is requesting early retirement authority from the Office of Personnel Management already available under current law. The legislative proposal we are transmitting today complements those efforts by providing the Secretary with authority to offer incentive payments up to \$25,000 to qualified employees who volunteer to retire consistent with a comprehensive buyout plan that must be approved by the Office of Management and Budget.

We have been advised by the Office of Management and Budget that there is no objection from the standpoint of the Administration's program to the submission of this legislative proposal to the Congress.

Sincerely,


Theodore W. Kassinger

Enclosure

Identical Letters Sent to:

The Honorable Dennis Hastert
Speaker of the House
of Representatives
Washington, DC 20515-6501

The Honorable Thomas A. Daschle
Senate Majority Leader
United States Senate
Washington, DC 20510-7010

The Honorable Dick Armey
House Majority Leader
House of Representatives
Washington, DC 20515-6503

The Honorable Richard Gephardt
House Minority Leader
House of Representatives
Washington DC 20515-6502

The Honorable Trent Lott
Senate Minority Leader
United States Senate
Washington, DC 20510-7010